

**Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Department for Environmental Protection
Division for Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601
(502) 573-3382**

Draft

**AIR QUALITY PERMIT
Issued under 401 KAR 52:030**

Permittee Name: Four Roses Distillery, LLC

Mailing Address: 1225 Bonds Mill Road
Lawrenceburg, Kentucky 40342

Source Name: Four Roses Distillery, LLC
Mailing Address: 1225 Bonds Mill Road
Lawrenceburg, Kentucky 40342

Source Location: Same as Above

Permit Number: F-06-037
Source A. I. #: 35
Activity #: APE20060001
Review Type: Federally-Enforceable, Conditional Major
Source ID #: 21-005-00002

Regional Office: Frankfort Regional Office
643 Teton Trail, Suite B
Frankfort, KY 40601-1758

County: Anderson

Application
Complete Date: July 15, 2006
Issuance Date:
Revision Date: xxxxxxxx
Expiration Date: xxxxxxxx

**John S. Lyons, Director
Division for Air Quality**

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Rev #	Permit type	Log #, AI #	Complete Date	Issuance Date	Summary of Action
1	Operating permit	55668	6/1/96	7/1/98	F-98-007
2	Conditional Major	35	7/15/06		F-06-037

SECTION A - PERMIT AUTHORIZATION

Pursuant to a duly submitted application the Kentucky Division for Air Quality hereby authorizes the operation of the equipment described herein in accordance with the terms and conditions of this permit. This permit has been issued under the provisions of Kentucky Revised Statutes Chapter 224 and regulations promulgated pursuant thereto.

The permittee shall not construct, reconstruct, or modify any affected facilities without first submitting a complete application and receiving a permit for the planned activity from the permitting authority, except as provided in this permit or in 401 KAR 52:030, Federally-enforceable permits for non-major sources.

Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by this Cabinet or any other federal, state, or local agency.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit: 02 - Grain receiving, conveying, and storage

Description:

Equipment includes: gravity unloading operation, screw-type conveyor, and silos

Construction commenced: 1988

Control: Baghouse

Applicable Regulations:

401 KAR 59:010, New Process Operations, applicable to an emission unit that commenced on or after July 2, 1975.

1. Operating Limitations:

To preclude the applicability of 401 KAR 52:020, the maximum processing rate of grain shall not exceed 3500 bushels per day. The daily/hourly-processing rate of grain shall be calculated from the weekly grain processed and hours of operation.

2. Emission Limitations:

- a) Pursuant to 401 KAR 59:010 Section 3(2), particulate matter emissions into the open air shall not exceed 3.15 pounds per hour based on a three-hour average. Compliance is assured through proper operation of the baghouse.
- b) Pursuant to 401 KAR 59:010, Section 3(1)(a), any continuous emission(s) into the open air shall not equal or exceed twenty (20) percent opacity based on a six-minute average. Compliance is assured through proper operation of the baghouse.
- c) See Section D, Condition 3.

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

- a) The permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis and maintain a log of the observations. If emissions from the stack are seen, the permittee shall determine the opacity of emissions by U.S. EPA Reference Method 9 and initiate an inspection of the unit for any necessary repairs.
- b) The permittee shall monitor the processing rate and hours of operation on a weekly basis.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

5. Specific Record Keeping Requirements:

- a) Records of the weekly grain processed (bushels or tonnages) and the weekly hours of operation shall be maintained.
- b) Records documenting the results of each opacity reading by EPA Reference Method 9 shall be maintained.
- c) Records regarding the maintenance and operation and use of baghouses shall be maintained.

6. Specific Reporting Requirements:

See Section F.

7. Specific Control Equipment Operating Conditions:

- a) The baghouses shall be operated to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and/or standard operating practices.
- b) See Section E for further requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit: 03 - Grain milling and handling

Description:

Equipment includes: hammermills, pneumatic conveyors, meal storage bins

Construction commenced: 1988

Control: Baghouses

Applicable Regulations:

401 KAR 59:010, New Process Operations, applicable to an emission unit that commenced on or after July 2, 1975.

1. Operating Limitations:

To preclude the applicability of 401 KAR 52:020, the maximum processing rate of grain shall not exceed 3500 bushels per day. The daily/hourly-processing rate of grain shall be calculated from the weekly grain processed and hours of operation.

2. Emission Limitations:

- a) Pursuant to 401 KAR 59:010 Section 3(2), particulate matter emissions into the open air shall not exceed 3.15 pounds per hour based on a three-hour average. Compliance is assured through proper operation of the baghouses.
- b) Pursuant to 401 KAR 59:010, Section 3(1)(a), any continuous emission(s) into the open air shall not equal or exceed twenty (20) percent opacity based on a six-minute average. Compliance is assured through proper operation of the baghouses.
- c) See Section D, Condition 3.

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

- a) The permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis and maintain a log of the observations. If emissions from the stack are seen, the permittee shall determine the opacity of emissions by U.S. EPA Reference Method 9 and initiate an inspection of the unit for any necessary repairs.
- b) The permittee shall monitor the processing rate and hours of operation on a weekly basis.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

5. Specific Record Keeping Requirements:

- a) Records of the weekly grain processed (bushels or tonnages) and the weekly hours of operation shall be maintained.
- b) Records documenting the results of each opacity reading by EPA Reference Method 9 shall be maintained.
- c) Records regarding the maintenance and operation and use of all control equipment in Subsection 7(a) shall be maintained.

6. Specific Reporting Requirements:

See Section F.

7. Specific Control Equipment Operating Conditions:

- a) The baghouses shall be operated to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and/or standard operating practices.
- b) See Section E for further requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit: 05 - Spent grain handling

Description:

Equipment includes: hammermill, and conveyors

Construction commenced: 1970

Maximum processing rate: 1.2 tons/hour (2400 pounds/hour) dried grain

Control: Cyclone

Applicable Regulations:

401 KAR 61:020, Existing process operations, for units commenced before July 2, 1975

1. Operating Limitations:

To preclude the applicability of 401 KAR 52:020, the maximum processing rate of dried grain shall not exceed 1.2 tons per hour (2400 pounds per hour). The hourly processing rate of grain shall be calculated from the weekly grain processed and hours of operation.

2. Emission Limitations:

- a) Pursuant to 401 KAR 61:020 Section 3(2), particulate matter emissions into the open air shall not exceed 1.68 pounds per hour based on a three-hour average. Compliance is assured through proper operation of the cyclone.
- b) Pursuant to 401 KAR 61:020, Section 3(1)(a), any continuous emission(s) into the open air shall not equal or exceed forty (40) percent opacity based on a six-minute average. Compliance is assured through proper operation of the cyclone.
- c) See Section D, Condition 3.

3. Testing Requirements:

None.

4. Specific Monitoring Requirements:

- a) The permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis and maintain a log of the observations. If emissions from the stack are seen, the permittee shall determine the opacity of emissions by U.S. EPA Reference Method 9 and initiate an inspection of the unit for any necessary repairs.
- b) The permittee shall monitor the processing rate and hours of operation on a weekly basis.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

5. Specific Record Keeping Requirements:

- a) Records of the weekly dried grain sold, or stored, or given away, or used (tonnages) and the weekly hours of operation shall be maintained.
- b) Records documenting the results of each opacity reading by EPA Reference Method 9 shall be maintained.
- c) Records regarding the maintenance and operation and use of all control equipment in Subsection 7(a) shall be maintained.

6. Specific Reporting Requirements:

See Section F.

7. Specific Control Equipment Operating Conditions:

- a) The cyclone shall be operated to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and/or standard operating practices.
- b) See Section E for further requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Units: 07 - Gas-fired indirect heat exchanger

Description:

Natural gas-fired unit

Rated capacity: 6.7 mmBTU/hour

Construction commenced: April 1988

Applicable Regulations:

401 KAR 59:015, New indirect heat exchangers, for units less than 250 mmBTU/hour commenced on or after April 9, 1972.

1. Operating Limitations:

None

2. Emission Limitations:

- a) Pursuant to 401 KAR 59:015, Section 4(1)(c), particulate emissions shall not exceed 0.13 lb/mmBTU based on a three-hour average. The permittee assures compliance through combustion of natural gas only.
- b) Pursuant to 401 KAR 59:015, Section 4(2), emissions shall not exceed 20% opacity based on a six-minute average, except a maximum of 40% opacity, based on six minutes average, shall be permissible for not more than 6 consecutive minutes in any consecutive 60 minutes during cleaning the fire-box or blowing soot.. The permittee assures compliance through combustion of natural gas only
- c) Pursuant to 401 KAR 59:015, Section 5(1)(c), the sulfur dioxide emission rate shall not exceed 0.79 lb/mmBTU based on a twenty-four hour average. The permittee assures compliance through combustion of natural gas only.
- d) See Section D, Condition 3.

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

None

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

5. Specific Record Keeping Requirements:

The permittee shall maintain records of monthly natural gas usage (million cubic feet).

6. Specific Reporting Requirements:

See Section F.

7. Specific Control Equipment Operating Conditions:

NA

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit: 09 - Number two fuel oil/natural gas-fired indirect heat exchanger

Description:

Natural gas-fired unit, number two fuel oil used as a secondary (backup) fuel

Rated capacity: 48.1 mmBTU/hour

Construction commenced: May 1995

Applicable Regulations:

401 KAR 59:015, New indirect heat exchangers, for units less than 250 mmBTU/hour commenced on or after April 9, 1972.

401 KAR 60:005, incorporating by reference 40 CFR 60, Subpart Dc, Standards of performance for small industrial-commercial-institutional steam generating units, for units less than or equal to 100 mmBTU/hour but greater than or equal to 10 mmBTU/hour commenced after June 9, 1989.

1. Operating Limitations:

None

2. Emission Limitations:

- a) Pursuant to 401 KAR 59:015, Section 4(1)(c), particulate emissions shall not exceed 0.13 lb/mmBTU based on a three-hour average. The permittee may assure through combustion of natural gas, or periodic inspection of opacity when burning #2 fuel oil (see condition 4. b)
- b) Pursuant to 401 KAR 59:015, Section 4(2) and 401 KAR 60:005, incorporating by reference 40 CFR 60.43c(c), emissions shall not exceed twenty (20) percent opacity based on a six-minute average except a maximum of twenty seven (27) percent opacity (six minute average) for not more than one six (6) minute period per hour is allowed.
- c) Pursuant to 401 KAR 59:015, Section 4(2)(c), emissions shall not exceed 20% opacity based on a six-minute average, except for emissions from an indirect heat exchanger during building a new fire for the period required to bring the boiler up to operating conditions provided the method used is that recommended by the manufacturer and the time does not exceed the manufacturer's recommendations.
- d) Pursuant to 401 KAR 60:005, incorporating by reference 40 CFR 60.43c (d), the particulate matter and opacity standards under this subsection apply at all times, except during periods of startup, shutdown, or malfunction.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

2. Emission Limitations continued:

- e) Pursuant to 401 KAR 59:015, Section 5(1)(c) and 401 KAR 60:005, incorporating by reference 40 CFR 60.42c(d), the sulfur dioxide emissions shall not exceed 0.27 lb/mmBTU based on a twenty-hour average.
- f) Pursuant to 401 KAR 60:005, incorporating by reference 40 CFR 60.42c (i), the sulfur dioxide emission limits and fuel oil sulfur limits under this subsection apply at all times, including, periods of startup, shutdown, and malfunction.
- g) Compliance with the sulfur dioxide standard is assured while burning natural gas. Pursuant to 40 CFR 60.42c (h) (1), the permittee may determine compliance with the sulfur dioxide standard while burning distillate oil based on a fuel supplier certification for each shipment.
- h) See Section D, Condition 3.

3. Testing Requirements:

See emission monitoring for sulfur dioxide using fuel supplier certification, Subsection 4.

4. Specific Monitoring Requirements:

- a) Pursuant to 401 KAR 60:005, incorporating by reference 40 CFR 60.46c(e), emission monitoring for sulfur dioxide shall involve fuel supplier certification conducted as specified under 40 CFR 60.48c(f) and subsections 5 and 6 below, reporting and record keeping requirements.
- b) The permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis when burning #2 fuel oil and maintain a log of the observations. If emissions from the stack are seen, the permittee shall determine the opacity of emissions by U.S. EPA Reference Method 9 and initiate an inspection of the unit for any necessary repairs.

5. Specific Record Keeping Requirements:

- a) Pursuant to 40 CFR 60.48c(g) the permittee shall record and maintain a file including daily natural gas (million cubic feet) combusted and/or number two fuel oil combusted (gallons).
- b) The permittee shall maintain records of the number two fuel oil percent sulfur content, to assure compliance [40 CFR 60.48c(f)].

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

- c) Pursuant to 401 KAR 60.005, incorporating by reference 40 CFR 60.48c (i), all records required by 40 CFR 60 Subpart Dc shall be maintained by the permittee for a period of two years following the date of such record.

6. Specific Reporting Requirements:

- a) Pursuant to 40 CFR 60.48c(e), the permittee shall submit quarterly reports to the Division for Air Quality regarding the sulfur dioxide emissions from fuel oil combustion and fuel oil sulfur content.
 - 1) The reports shall include the calendar dates covered in the reporting period, each thirty day average sulfur dioxide emission rate or average sulfur content (weight percent) calculated during the reporting period ending with the last thirty-day period in the quarter, reasons for any noncompliance with the emission standards, and a description of corrective actions taken.
 - 2) The reports shall include identification of any times when emissions data have been excluded from the calculation of average emission rate, justification for excluding data, and a description of corrective actions taken if data have been excluded for periods other than those when oil was not combusted in the steam-generating unit.
 - 3) The reports shall include a copy of all fuel supplier certifications and a certified statement signed by the owner or operator of the emissions unit that the records of the fuel supplier certification(s) submitted represent all the fuel combusted during the quarter.
- b) Pursuant to 40 CFR 60.48c(f), the fuel supplier certification shall include the following information: the name of the oil supplier, and a statement that the oil complies with the definition of distillate oil in 40 CFR 60.41c, the fuel oil sulfur content, and the method used to determine the sulfur content of the oil.

7. Specific Control Equipment Operating Conditions:

NA

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit: 10) - Spent grain rotary dryer

Description:

Construction commenced: 1995

Rated capacity with natural gas usage: 13 mmBTU/hour

Maximum spent grain-processing rate: 1.75 tons/hour (3500 pounds/hour)

Controls: Scrubber

Applicable Regulations:

401 KAR 59:010, New Process Operations, applicable to an emission unit that commenced on or after July 2, 1975.

1. Operating Limitations:

To preclude the applicability of 401 KAR 52:020, the maximum processing rate of spent grain shall not exceed 1.75 tons per hour (3500 pounds per hour), pursuant to 401 KAR 52:030. The hourly processing rate of grain shall be calculated from the weekly grain processed and hours of operation.

2. Emission Limitations:

- a) Pursuant to 401 KAR 59:010 Section 3(2), and particulate matter emissions into the open air shall not exceed 1.84 pounds per hour based on a three-hour average. Compliance is assured through proper operation of the scrubber.
- b) Pursuant to 401 KAR 59:010, Section 3(1)(a), any continuous emission(s) into the open air shall not equal or exceed twenty (20) percent opacity based on a six-minute average. Compliance is assured through proper operation of the scrubber.
- c) See Section D, Condition 3.

3. Testing Requirements:

None

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

4. Specific Monitoring Requirements:

- a) The permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis and maintain a log of the observations. If emissions from the stack are seen, the permittee shall determine the opacity of emissions by U.S. EPA Reference Method 9 and initiate an inspection of the unit for any necessary repairs.
- b) The permittee shall monitor the processing rate and hours of operation on a weekly basis.

5. Specific Record Keeping Requirements:

- a) Records of the weekly-spent grain processed (tonnages) and the weekly hours of operation shall be maintained.
- b) Records documenting the results of each opacity reading by EPA Reference Method 9 shall be maintained.
- c) The scrubber shall be inspected on an annual basis and the records of conditions of the following shall be maintained:
 - i. Scrubber liquid pumps
 - ii. Scrubber liquid spray nozzles
 - iii. Scrubber internals

6. Specific Reporting Requirements:

See Section F.

7. Specific Control Equipment Operating Conditions:

- a) The scrubber shall be operated to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and/or standard operating practices.
- b) See Section E for further requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit: 11 - Spent dry grain product bin and loadout.

Description:

Construction commenced: 1970

Operating rate: 1.2 tons/hour

Control: Water Spray

Applicable Regulations:

401 KAR 63:010, Fugitive emissions is applicable to each affected facility which emits or may emit fugitive emissions and is not elsewhere subject to an opacity standard within the administrative regulations of the Division for Air Quality.

1. Operating Limitations:

- a) Pursuant to 401 KAR 63:010, Section 3, reasonable precautions shall be taken to prevent particulate matter from becoming airborne. Such reasonable precautions shall include, when applicable, but not be limited to the following:
 - 1. Application and maintenance of asphalt, water, or suitable chemicals on roads, material stockpiles, and other surfaces, which can create airborne dusts;
 - 2. Installation and use of hoods, fans, and fabric filters to enclose and vent the handling of dusty materials, or the use of water sprays or other measures to suppress the dust emissions during handling;
 - 3. Maintenance of paved roadway in clean condition;
 - 4. The prompt removal of earth or other material from a paved street which earth or other material has been transported thereto by trucking or other earth moving equipment or erosion by water;
 - 5. Installation and use of compaction or other measures to suppress the dust emissions during handling.
- b) Pursuant to 401 KAR 63:010, Section 3, discharge of visible fugitive dust emissions beyond the property line is prohibited.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

2. Emission Limitation

None

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

See Section F.

5. Specific Record Keeping Requirements:

Records of the weekly-spent grain processed/loaded (tonnages) shall be maintained.

6. Specific Reporting Requirements:

See Section F.

7. Specific Control Equipment Operating Conditions:

- a) Control measures shall be used to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and/or standard operating practices.
- b) See Section E for further requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit: 12 - Two spent grain rotary dryers

Description:

Construction commenced: 1970

(Units operate with use of steam from boiler)

Maximum spent grain-processing rate: 1.75 tons/hour (3500 pounds/hour)

Control: Scrubber

Applicable Regulations:

401 KAR 61:020, Existing process operations, for units commenced before July 2, 1975

1. Operating Limitations:

The maximum processing rate of spent grain shall not exceed 1.75 tons per hour (3500 pounds per hour). The hourly processing rate of grain shall be calculated from the weekly-spent grain processed and hours of operation.

2. Emission Limitations:

- a) Pursuant to 401 KAR 61:020 Section 3(2), particulate matter emissions into the open air shall not exceed 2.16 pounds per hour based on a three-hour average. Compliance is assured through proper operation of the scrubber.
- b) Pursuant to 401 KAR 61:020, Section 3(1)(a), any continuous emission(s) into the open air shall not equal or exceed forty (40) percent opacity based on a six-minute average.
- c) See Section D, Condition 3.

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

- a) The permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis and maintain a log of the observations. If emissions from the stack are seen, the permittee shall determine the opacity of emissions by U.S. EPA Reference Method 9 and initiate an inspection of the unit for any necessary repairs.
- b) The permittee shall monitor the processing rate and hours of operation on a weekly basis

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

5. Specific Record Keeping Requirements:

- a) Records of the weekly grain processed (bushels or tonnages) and the weekly hours of operation shall be maintained.
- b) Records documenting the results of each opacity reading by EPA Reference Method 9 shall be maintained.
- c) The scrubber shall be inspected on an annual basis and the records of conditions of the following shall be maintained:
 - i. Scrubber liquid pumps
 - ii. Scrubber liquid spray nozzles
 - iii. Scrubber internals

6. Specific Reporting Requirements:

See Section F.

7. Specific Control Equipment Operating Conditions:

- a) The scrubber shall be operated to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and/or standard operating practices.
- b) See Section E for further requirements.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Units: **15 - Fermentation, distillation (stills), and beer wells**
 19 - Spent grain processing/evaporators/spent stillage

Description:

Fermentation operations consist of wood tanks and stills are steam heated.
Spent grain processing and evaporators includes emissions from spent stillage (stillage is processed to make cattle feed).

Applicable Regulations:

None

1. Operating Limitations:

None

2. Emission Limitations:

None

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

See Section F.

5. Specific Record Keeping Requirements:

Records of the weekly whole grain meal processed shall be maintained.

6. Specific Reporting Requirements:

See Section F.

7. Specific Control Equipment Operating Conditions:

NA

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Emissions Unit: 23 - Grain cleaning

Description:

Construction commenced: June 1996

Equipment includes: screen type grain cleaner with a fabric filter

Applicable Regulations:

401 KAR 59:010, New Process Operations, applicable to an emission unit that commenced on or after July 2, 1975.

1. Operating Limitations:

To preclude the applicability of 401 KAR 52:020, the maximum processing rate of grain shall not exceed 3500 bushels per day. The daily/hourly-processing rate of grain shall be calculated from the weekly grain processed and hours of operation.

2. Emission Limitations:

- a) Pursuant to 401 KAR 59:010 Section 3(2), particulate matter emissions into the open air shall not exceed 3.15 pounds per hour based on a three-hour average. Compliance is assured through proper operation of the fabric filter.
- b) Pursuant to 401 KAR 59:010, Section 3(1)(a), any continuous emission(s) into the open air shall not equal or exceed twenty (20) percent opacity based on a six-minute average.
- c) See Section D, Condition 3.

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

- a) The permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis and maintain a log of the observations. If emissions from the stack are seen, the permittee shall determine the opacity of emissions by U.S. EPA Reference Method 9 and initiate an inspection of the unit for any necessary repairs.
- b) The permittee shall monitor the processing rate and hours of operation on a weekly basis.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

5. Specific Record Keeping Requirements:

- a) Records of the weekly grain processed (bushels or tonnages) and the weekly hours of operation shall be maintained.
- b) Records documenting the results of each opacity reading by EPA Reference Method 9 shall be maintained.
- c) Records regarding the maintenance and operation and use of the fabric filter shall be maintained.

6. Specific Reporting Requirements:

See Section F.

7. Specific Control Equipment Operating Conditions:

- a) The fabric filter shall be operated to maintain compliance with permitted emission limitations, in accordance with manufacturer's specifications and/or standard operating practices.
- b) See Section E for further requirements.

SECTION C - INSIGNIFICANT ACTIVITIES

The following listed activities have been determined to be insignificant activities for this source pursuant to 401 KAR 52:030, Section 6. While these activities are designated as insignificant the permittee must comply with the applicable regulation and some minimal level of periodic monitoring may be necessary. Process and emission control equipment at each insignificant activity subject to a general applicable regulation shall be inspected monthly and qualitative visible emission evaluation made. The results of the inspections and observations shall be recorded in a log, noting color, duration, density (heavy or light), cause and any conservative actions taken for any abnormal visible emissions.

<u>Description</u>	<u>Generally Applicable Regulation</u>
1. Four alcohol storage tanks.	N/A
2. Emergency water pumps and diesel engines for fire suppression .	N/A
3. Grain cookers, steel tanks.	401 KAR 61:020
4. Finished product storage tanks consisting of indoor wine tanks and outdoor cistern tanks	401 KAR 63:010
5. Beer condensers that process the overhead vapor from top stage of the distillation (stills) by condensing the overhead vapor to the finished product.	401 KAR 63:010

SECTION D - SOURCE EMISSION LIMITATIONS AND TESTING REQUIREMENTS

1. Particulate, sulfur dioxide, and visible (opacity) emissions, as measured by methods referenced in 401 KAR 50:015, Section 1, shall not exceed the respective limitations specified herein.
2. Compliance with annual emissions and processing limitations imposed pursuant to 401 KAR 52:030, Section 20, and contained in this permit, shall be based on emissions and processing rates for any twelve (12) consecutive months.
3. To preclude the applicability of 401 KAR 52:020, source wide potential emissions of any regulated air pollutant shall not exceed 90 tons per year. The grain processed/handled shall not exceed 37,770 tons per year and bourbon whiskey produced shall not exceed 6,387,500 proof gallons per year. To demonstrate compliance with the emission limitations, processing rate limitations, and requirements contained herein, the permittee shall record monthly throughputs and processing rates with corresponding information needed to determine emissions. The permittee shall calculate emissions monthly and assure compliance with the limitations herein.

SECTION E - SOURCE CONTROL EQUIPMENT REQUIREMENTS

Pursuant to 401 KAR 50:055, Section 2(5), at all times, including periods of startup, shutdown and malfunction, owners and operators shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Division which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source.

SECTION F - MONITORING, RECORDKEEPING, AND REPORTING REQUIREMENTS

1. Pursuant to Section 1b (IV)(1) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10, when continuing compliance is demonstrated by periodic testing or instrumental monitoring, the permittee shall compile records of required monitoring information that include:
 - a. Date, place (as defined in this permit), and time of sampling or measurements;
 - b. Analyses performance dates;
 - c. Company or entity that performed analyses;
 - d. Analytical techniques or methods used;
 - e. Analyses results; and
 - f. Operating conditions during time of sampling or measurement.
2. Records of all required monitoring data and support information, including calibrations, maintenance records, and original strip chart recordings, and copies of all reports required by the Division for Air Quality, shall be retained by the permittee for a period of five years and shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality [401 KAR 52:030 Section 3(1)(f) 1a and Section 1a (7) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10].
3. In accordance with the requirements of 401 KAR 52:030 Section 3(1)f the permittee shall allow authorized representatives of the Cabinet to perform the following during reasonable times:
 - a. Enter upon the premises to inspect any facility, equipment (including air pollution control equipment), practice, or operation;
 - b. To access and copy any records required by the permit;
 - c. Sample or monitor, at reasonable times, substances or parameters to assure compliance with the permit or any applicable requirements.Reasonable times are defined as during all hours of operation, during normal office hours; or during an emergency.
4. No person shall obstruct, hamper, or interfere with any Cabinet employee or authorized representative while in the process of carrying out official duties. Refusal of entry or access may constitute grounds for permit revocation and assessment of civil penalties.
5. Summary reports of any monitoring required by this permit shall be submitted to the Regional Office listed on the front of this permit at least every six (6) months during the life of this permit, unless otherwise stated in this permit. For emission units that were still under construction or which had not commenced operation at the end of the 6-month period covered by the report and are subject to monitoring requirements in this permit, the report shall indicate that no monitoring was performed during the previous six months because the emission unit was not in operation.

SECTION F - MONITORING, RECORDKEEPING, AND REPORTING REQUIREMENTS (CONTINUED)

6. The semi-annual reports are due by January 30th and July 30th of each year. All reports shall be certified by a responsible official pursuant to 401 KAR 52:030 Section 22. If continuous emission and opacity monitors are required by regulation or this permit, data shall be reported in accordance with the requirements of 401 KAR 59:005, General Provisions, Section 3(3). All deviations from permit requirements shall be clearly identified in the reports.
7. In accordance with the provisions of 401KAR 50:055, Section 1 the owner or operator shall notify the Regional Office listed on the front of this permit concerning startups, shutdowns, or malfunctions as follows:
 - a. When emissions during any planned shutdowns and ensuing startups will exceed the standards, notification shall be made no later than three (3) days before the planned shutdown, or immediately following the decision to shut down, if the shutdown is due to events which could not have been foreseen three (3) days before the shutdown.
 - b. When emissions due to malfunctions, unplanned shutdowns and ensuing startups are or may be in excess of the standards, notification shall be made as promptly as possible by telephone (or other electronic media) and shall be submitted in writing upon request.
8. The owner or operator shall report emission related exceedances from permit requirements including those attributed to upset conditions (other than emission exceedances covered by Section F.7 above) to the Regional Office listed on the front of this permit within 30 days. Other deviations from permit requirements shall be included in the semiannual report required by Section F.5 [Section 1b V (3) and (4) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10].
9. Pursuant to 401KAR 52:030, Section 21, the permittee shall annually certify compliance with the terms and conditions contained in this permit by completing and returning a Compliance Certification Form (DEP 7007CC) (or an alternative approved by the regional office) to the Regional Office listed on the front of this permit in accordance with the following requirements:
 - a. Identification of each term or condition;
 - b. Compliance status of each term or condition of the permit;
 - c. Whether compliance was continuous or intermittent;
 - d. The method used for determining the compliance status for the source, currently and over the reporting period.
 - e. For an emissions unit that was still under construction or which has not commenced operation at the end of the 12-month period covered by the annual compliance certification, the permittee shall indicate that the unit is under construction and that compliance with any applicable requirements will be demonstrated within the timeframes specified in the permit.

SECTION F - MONITORING, RECORDKEEPING, AND REPORTING REQUIREMENTS (CONTINUED)

- f. The certification shall be postmarked by January 30th of each year. Annual compliance certifications should be mailed to the following addresses:

Division for Air Quality
London Regional Office
875 S. Main Street
London, KY 45741

Division for Air Quality
Central Files
803 Schenkel Lane
Frankfort, KY 40601

10. In accordance with 401KAR 52:030, Section 3(1)(d), the permittee shall provide the Division with all information necessary to determine its subject emissions within thirty (30) days of the date the KYEIS emission survey is mailed to the permittee. If a KYEIS emission survey is not mailed to the permittee, then the permittee shall comply with all other emission reporting requirements in this permit.
11. Results of performance test(s) required by the permit shall be submitted to the Division by the source or its representative within forty-five days or sooner if required by an applicable standard, after the completion of the fieldwork.
12. The Cabinet may authorize the temporary use of an emission unit to replace a similar unit that is taken off-line for maintenance, if the following conditions are met:
- a. The owner or operator shall submit to the Cabinet, at least ten (10) days in advance of replacing a unit, the appropriate Forms DEP7007AI to DD that show:
 - i. The size and location of both the original and replacement units; and
 - ii. Any resulting change in emissions;
 - b. The potential to emit (PTE) of the replacement unit shall not exceed that of the original unit by more than twenty-five (25) percent of a major source threshold, and the emissions from the unit shall not cause the source to exceed the emissions allowable under the permit;
 - c. The PTE of the replacement unit or the resulting PTE of the source shall not subject the source to a new applicable requirement;
 - d. The replacement unit shall comply with all applicable requirements; and
 - e. The source shall notify Regional office of all shutdowns and start-ups.
 - f. Within six (6) months after installing the replacement unit, the owner or operator shall:
 - i. Re-install the original unit and remove or dismantle the replacement unit; or
 - ii. Submit an application to permit the replacement unit as a permanent change.

SECTION G - GENERAL PROVISIONS(a) General Compliance Requirements

1. The permittee shall comply with all conditions of this permit. A noncompliance shall be a violation of 401 KAR 52:030 Section 3(1)(b) and is also a violation of Federal Statute 42 USC 7401 through 7671q (the Clean Air Act). Noncompliance with this permit is grounds for enforcement action including but not limited to the termination, revocation and reissuance, revision, or denial of a permit [Section 1a (2) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10].
2. The filing of a request by the permittee for any permit revision, revocation, reinsurance, or termination, or of a notification of a planned change or anticipated noncompliance, shall not stay any permit condition [Section 1a (5) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10].
3. This permit may be revised, revoked, reopened and reissued, or terminated for cause in accordance with 401 KAR 52:030 Section 18. The permit will be reopened for cause and revised accordingly under the following circumstances:
 - a. If additional applicable requirements become applicable to the source and the remaining permit term is three (3) years or longer. In this case, the reopening shall be completed no later than eighteen (18) months after promulgation of the applicable requirement. A reopening shall not be required if compliance with the applicable requirement is not required until after the date on which the permit is due to expire, unless this permit or any of its terms and conditions have been extended pursuant to 401 KAR 52:030 Section 12;
 - b. The Cabinet or the U. S. EPA determines that the permit must be revised or revoked to assure compliance with the applicable requirements;
 - c. The Cabinet or the U. S. EPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit.
4. Proceedings to reopen and reissue a permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of the permit for which cause to reopen exists. Reopenings shall be made as expeditiously as practicable. Reopenings shall not be initiated before a notice of intent to reopen is provided to the source by the Division, at least thirty (30) days in advance of the date the permit is to be reopened, except that the Division may provide a shorter time period in the case of an emergency.
5. The permittee shall furnish information upon request of the Cabinet to determine if cause exists for modifying, revoking and reissuing, or terminating the permit; or to determine compliance with the conditions of this permit [Sections 1a (6) and (7) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10].

SECTION G - GENERAL PROVISIONS (CONTINUED)

6. The permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such supplementary facts or corrected information to the permitting authority [401 KAR 52:030 Section 7(1)].
7. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit [Section 1a (11) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10].
8. The permittee shall not use as a defense in an enforcement action the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance [Section 1a (3) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10].
9. Except for requirements identified in this permit as state-origin requirements, all terms and conditions shall be enforceable by the United States Environmental Protection Agency and citizens of the United States [Section 1a (12)(b) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10].
10. This permit shall be subject to suspension if the permittee fails to pay all emissions fees within 90 days after the date of notice as specified in 401 KAR 50:038 Section 3(6) [Section 1a (9) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10].
11. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance [401 KAR 52:030 Section 11(3)].
12. This permit does not convey property rights or exclusive privileges [Section 1a (8) of the *Cabinet Provisions and Procedures for Issuing Federally-Enforceable Permits for Non-Major Sources* incorporated by reference in 401 KAR 52:030 Section 10].
13. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits, licenses, or approvals required by the Cabinet or any other federal, state, or local agency.
14. Nothing in this permit shall alter or affect the authority of U.S. EPA to obtain information pursuant to Federal Statute 42 USC 7414, Inspections, monitoring, and entry.
15. Nothing in this permit shall alter or affect the authority of U.S. EPA to impose emergency orders pursuant to Federal Statute 42 USC 7603, Emergency orders.

SECTION G - GENERAL PROVISIONS (CONTINUED)

16. This permit consolidates the authority of any previously issued PSD, NSR, or Synthetic minor source preconstruction permit terms and conditions for various emission units and incorporates all requirements of those existing permits into one single permit for this source.
17. Permit Shield – A permit shield shall not protect the owner or operator from enforcement actions for violating an applicable requirement prior to or at the time of permit issuance. Compliance with the conditions of this permit shall be considered compliance with:
 - a. Applicable requirements that are included and specifically identified in this permit; and
 - b. Non-applicable requirements expressly identified in this permit.
18. Emission units described in this permit shall demonstrate compliance with applicable requirements if requested by the Division [401 KAR 52:030 Section 3(1)(c)].
19. The authority to operate granted through this permit shall cease to apply if the source fails to submit additional information requested by the Division after the completeness determination has been made on any application, by whatever deadline the Division sets [401 KAR 52:030 Section 8(2)].

(b) Permit Expiration and Reapplication Requirements

This permit shall remain in effect for a fixed term of five (5) years following the original date of issue. Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted to the Division at least six months prior to the expiration date of the permit. Upon a timely and complete submittal, the authorization to operate within the terms and conditions of this permit, including any permit shield, shall remain in effect beyond the expiration date, until the renewal permit is issued or denied by the Division [401 KAR 52:030 Section 12].

(c) Permit Revisions

1. Minor permit revision procedures specified in 401 KAR 52:030 Section 14 (3) may be used for permit revisions involving the use of economic incentive, marketable permit, emission trading, and other similar approaches, to the extent that these minor permit revision procedures are explicitly provided for in the SIP or in applicable requirements and meet the relevant requirements of 401 KAR 52:030 Section 14 (2).
2. This permit is not transferable by the permittee. Future owners and operators shall obtain a new permit from the Division for Air Quality. The new permit may be processed as an administrative amendment if no other change in this permit is necessary, and provided that a written agreement containing a specific date for transfer of permit responsibility coverage and liability between the current and new permittee has been submitted to the permitting authority within ten (10) days following the transfer.

SECTION G - GENERAL PROVISIONS (CONTINUED)

(d) Construction, Start-Up, and Initial Compliance Demonstration Requirements

No construction is authorized in this permit.

(e) Acid Rain Program Requirements

If an applicable requirement of Federal Statute 42 USC 7401 through 7671q (the Clean Air Act) is more stringent than an applicable requirement promulgated pursuant to Federal Statute 42 USC 7651 through 7651o (Title IV of the Act), both provisions shall apply, and both shall be state and federally enforceable.

(f) Emergency Provisions

1. Pursuant to 401 KAR 52:030 Section 23(1), an emergency shall constitute an affirmative defense to an action brought for noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or other relevant evidence that:
 - a. An emergency occurred and the permittee can identify the cause of the emergency;
 - b. The permitted facility was at the time being properly operated;
 - c. During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and,
 - d. The permittee notified the Division as promptly as possible and submitted written notice of the emergency to the Division within two (2) working days of the time when emission limitations were exceeded due to an emergency. The notice shall include a description of the emergency, steps taken to mitigate emissions, and the corrective actions taken.
2. Notification of the Division does not relieve the source of any other local, state or federal notification requirements.
3. Emergency conditions listed in General Provision G(f)1 above are in addition to any emergency or upset provision(s) contained in an applicable requirement [401 KAR 52:030 Section 23(3)].
4. In an enforcement proceeding, the permittee seeking to establish the occurrence of an emergency shall have the burden of proof[401 KAR 52:030 Section 23(2)].

SECTION G - GENERAL PROVISIONS (CONTINUED)

(g) Risk Management Provisions

1. The permittee shall comply with all applicable requirements of 401 KAR Chapter 68, Chemical Accident Prevention, which incorporates by reference 40 CFR Part 68, Risk Management Plan provisions. If required, the permittee shall comply with the Risk Management Program and submit a Risk Management Plan to:

RMP Reporting Center
P.O. Box 1515
Lanham-Seabrook, MD 20703-1515.

2. If requested, submit additional relevant information to the Division or the U.S. EPA.

(h) Ozone depleting substances

1. The permittee shall comply with the standards for recycling and emissions reduction pursuant to 40 CFR 82, Subpart F, except as provided for Motor Vehicle Air Conditioners (MVACs) in Subpart B:
 - a. Persons opening appliances for maintenance, service, repair, or disposal shall comply with the required practices contained in 40 CFR 82.156.
 - b. Equipment used during the maintenance, service, repair, or disposal of appliances shall comply with the standards for recycling and recovery equipment contained in 40 CFR 82.158.
 - c. Persons performing maintenance, service, repair, or disposal of appliances shall be certified by an approved technician certification program pursuant to 40 CFR 82.161.
 - d. Persons disposing of small appliances, MVACs, and MVAC-like appliances (as defined at 40 CFR 82.152) shall comply with the recordkeeping requirements pursuant to 40 CFR 82.166.
 - e. Persons owning commercial or industrial process refrigeration equipment shall comply with the leak repair requirements pursuant to 40 CFR 82.156.
 - f. Owners/operators of appliances normally containing 50 or more pounds of refrigerant shall keep records of refrigerant purchased and added to such appliances pursuant to 40 CFR 82.166.
2. If the permittee performs service on motor (fleet) vehicle air conditioners containing ozone-depleting substances, the source shall comply with all applicable requirements as specified in 40 CFR 82, Subpart B, *Servicing of Motor Vehicle Air Conditioners*.

SECTION H - ALTERNATE OPERATING SCENARIOS

None.

SECTION I - COMPLIANCE SCHEDULE

None